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Approved For Release 2002/01/15 : CIA-RDP81-00142R000600090012-7
8 AUG 1978

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM: John F. Blake
Deputy Director for Administration

DD/A Registry
File *Industrial Security*

SUBJECT: Contractual and Industrial Security Oversight

REFERENCES: (a) Multiple Addressee Memo, dtd June 1978,
fm DDCI, same subject

(b) Multiple Addressee Memo, dtd July 1978,
fm DDCI, same subject

1. Action Requested: None. This memorandum reports progress, in accordance with a requirement in reference (a), which called for a progress report at the end of 60 days.

2. Background:

In September 1977, the Acting DCI established a task force to make a comprehensive review of the organizational structure, policies, and procedures by which we carry out our program of industrial contracting and security. The reports of this task force were made in an Industrial Security Interim Report, dated December 1977, and in an Industrial Contracts and Industrial Security Final Report in February 1978. Recommendations of these reports have been considered by the EAG in meetings on 18 April and 23 May 1978.

The referenced memoranda directed implementation of the various recommendations of the task force and resulted in 52 specific actions for implementation.

Reference (a) requested that a progress report be submitted to you at the end of 60 days, which would mean that said report would be due on 9 August. Responsibility for monitoring of progress on approved recommendations was assigned to the DDA. That responsibility was further delegated to the Office of Logistics which has provided weekly progress reports to my office.

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3. Staff Position:

Substantial progress has been made toward completion of the 52 specific action items being tracked. Fifteen of these items have been completed, 3 require no action because of disapproval or other factors, and 34 are in progress. Of the 34 still in progress, probably the most significant is Recommendation #18 of the Industrial Security Interim Report which requires: "That classified contracts shall incorporate specific security performance standards as well as language that stresses the importance of complying with all security requirements." This recommendation is singled out because of the specific interest of the DCI as to progress being made toward completion. The latest revision of the required security clauses went to the DCI during the week of 11 July. Requests were received from the DCI for additional information, and these requests were satisfied during the week of 24 July. We are awaiting feedback from Admiral Turner on this item.

Probably the second and third most critical items are revision of the delegation of procurement authority for the National Programs Contracting Officer and establishment of the National Programs Contract Review Board (NPCRB). The revised delegation was forwarded to your office on 25 July for your approval. A draft charter for the NPCRB has been developed and was the subject of an initial meeting during the week of 31 July. The charter is currently the subject of discussion between DDS&T and DDA.

We believe that the implementation of the various recommendations you have approved is proceeding very well. Our current estimate is that all recommendations will have been implemented by the end of calendar 1978.

A copy of the detailed weekly report is attached to this memorandum for your information.

4. Recommendation: It is recommended that subsequent progress reports be provided to your office at 60-day intervals and at the end of calendar 1978.

/s/John F. Blake

John F. Blake

Attachment

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James H. McDonald
Director of Logistics

8/4/78
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